



KENAI PENINSULA BOROUGH

Capital Projects Department

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**DAVID R CAREY
BOROUGH MAYOR**

MEMORANDUM

TO: Gary Knopp, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: David R. Carey, Kenai Peninsula Borough Mayor *DKC*
Craig Chapman, Finance Director *BA 82 CCC*
Mark Fowler, Purchasing & Contracting Officer *M*

FROM: Dan Park, Capital Projects Director *D.P.*

DATE: March 24, 2011

SUBJECT: Ordinance 2010-19-*39*, appropriating \$750,000 from the CPGH, Inc. Plant Replacement and Expansion Fund for the Mundell Building Improvement project

Subsequent to the borough's purchase of the Mundell Building at 245 N. Binkley in Soldotna, pursuant to the lease and operating agreement CPGH, Inc., has constructed some tenant improvements on the ground level floor to accommodate a recently recruited physician. Additional work is now planned and needed to bring the building up to current operating standards, make additional tenant improvements and meet current building code requirements.

Based on preliminary estimates by the capital projects department, the cost of these planned improvements will exceed the procurement limits of the CPGH, Inc. lease and operating agreement therefore requiring approval and funding appropriation by the assembly.

The proposed improvements will be accomplished in multiple steps as code work and tenant improvements continue. Tenant improvements will advance as new tenants are identified and spatial programming requirements are determined.

The improvements include but are not limited to the following:

1. Solicit for and secure structural engineering services to evaluate the building's structural system and make recommendations to the borough.
2. Tenant improvements for an Obstetrics Physician Suite upgrade on the ground floor.

3. Upgrade fire alarm and sprinkler system: (smoke and heat sensors; horn strobes, fire alarm control panel).
4. Emergency egress exit-way upgrades: (require landings, door widths, exit-way lighting, signage, compliant hardware and rated corridors as required).
5. Mechanical upgrades: (smoke dampers, relief air, cooling coil and condensing unit, HVAC controls, air shaft code-compliant construction).
6. Electrical upgrades associated with tenant improvements: (replacement of romex with conduit and approved conductors throughout, device upgrade, compliant grounding and panels, emergency lighting and efficient lighting upgrades).
7. Plumbing associated with tenant improvements and main floor public restrooms: (Pressure reducing valve, code compliant plumbing fixtures).
8. Safety improvements: (metal roof access ladder, guard rails at vertical shaft location).
9. ADA compliant public restrooms.
10. Structure: (necessary seismic upgrades, formal public rear entry).
11. Building envelope improvements: (roof repair/replacement, weather stripping, roof insulation upgrades).

The initial funding request for the work described is \$750,000. It is expected that additional funding will be required in the future for the following property improvements.

1. Site improvements: (parking lighting, landscaping and access improvements).
2. Other items to be determined for the safe and efficient utilization of the facility.

Shortened hearing is requested for this ordinance as the funds are needed to complete the OB clinic before June 30, 2011, and these building upgrades are needed as soon as possible. Recruiting physicians has become extremely competitive and the hospital administration succeeded in recruiting an OB physician to start July 1, 2011, anticipating that office space could be made available in the Mundell building by that date. CPGH, Inc. Board officers and members, and its administration, have met with the borough administration to develop a process for timely completion of this OB suite. As there was no second assembly meeting in March, this ordinance could not be introduced before April 5, 2011, resulting in this request for a shortened hearing so that the funds might be appropriated April 19, 2011, and the project completed before July 1, 2011.

Your support of this ordinance would be appreciated.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	490.20602
Amount	\$ 750,000.00
By:	Date: 3/23/11
 	